

HARTWICK TOWNSHIP, OSCEOLA COUNTY

EVART, MICHIGAN

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Hartwick Township	County Osceola
Audit Date 3/31/04	Opinion Date 5/25/04	Date Accountant Report Submitted to State: June 18, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)

BAIRD, COTTER AND BISHOP, P.C.

Street Address

134 W. HARRIS STREET

City

CADILLAC

State

MI

ZIP

49601

Accountant Signature

[Signature]

Date

REPORT OF EXAMINATION

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

MARCH 31, 2004

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1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. CDOL, C.P.A.

May 25, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Hartwick Township
Osceola County
Evart, Michigan

We have audited the accompanying general-purpose financial statements of Hartwick Township, Osceola County, Evart, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B, the Township's policy is to prepare its general-purpose financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of Hartwick Township, Osceola County, Evart, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid for the year then ended on the basis of accounting described in Note I.B.

Our examination was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the examination of the general-purpose financial statements, and in our opinion, it is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUP
MARCH 31, 2004

	GOVERNMENTAL FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY
<u>ASSETS</u>		
Cash		
Commercial Account	\$ 48	\$ 0
Money Market Account	24,302	16
Certificates of Deposit	22,944	0
Taxes Receivable	1,871	0
Land and Land Improvements	0	0
Buildings	0	0
Furniture and Fixtures	0	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 49,165	\$ 16
	<hr/>	<hr/>
<u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Deferred Revenue	\$ 1,871	\$ 0
	<hr/>	<hr/>
<u>EQUITY</u>		
Investment in General Fixed Asset	\$ 0	\$ 0
Balance		
Unreserved	47,294	16
Total Equity	\$ 47,294	\$ 16
	<hr/>	<hr/>
TOTAL LIABILITIES AND EQUITY	\$ 49,165	\$ 16
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

<u>ACCOUNT GROUP</u>	<u>TOTAL</u>
<u>GENERAL</u>	<u>(MEMORANDUM</u>
<u>FIXED ASSETS</u>	<u>ONLY)</u>
\$ 0	\$ 48
0	24,318
0	22,944
0	1,871
15,044	15,044
74,600	74,600
9,530	9,530
<u>\$ 99,174</u>	<u>\$ 148,355</u>
<u>\$ 0</u>	<u>\$ 1,871</u>
\$ 99,174	\$ 99,174
0	47,310
<u>\$ 99,174</u>	<u>\$ 146,484</u>
<u>\$ 99,174</u>	<u>\$ 148,355</u>

The accompanying notes are an integral part of these financial statements.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Taxes	\$ 16,433
Non-Business Permits	1,050
State Grants	42,758
Charges for Services	1,749
Interest and Rents	924
Other Receipts	308
	<hr/>
Total Receipts	\$ 63,222

DISBURSEMENTS

Legislative	
Township Board	\$ 3,720
General Government	
Supervisor	1,545
Assessor	7,328
Clerk	5,245
Board of Review	529
Treasurer	5,875
Building and Grounds	2,010
Cemetery	2,286
Public Safety	9,313
Public Works	25,316
Recreation and Cultural	300
Other Functions	6,161
	<hr/>
Total Disbursements	\$ 69,628
	<hr/>
Excess of Receipts Over (Under) Disbursements	\$ (6,406)

<u>BALANCE</u> - Beginning of Year	<hr/> 53,700
<u>BALANCE</u> - End of Year	<hr/> <hr/> \$ 47,294

The accompanying notes are an integral part of these financial statements.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 17,000	\$ 16,433	\$ (567)
Non-Business Permits	700	1,050	350
State Grants	40,000	42,758	2,758
Charges for Services	0	1,749	1,749
Interest and Rents	1,800	924	(876)
Other Receipts	1,000	308	(692)
Total Receipts	<u>\$ 60,500</u>	<u>\$ 63,222</u>	<u>\$ 2,722</u>
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 4,709	\$ 3,720	\$ 989
General Government			
Supervisor	1,807	1,545	262
Election	1,000	0	1,000
Assessor	8,200	7,328	872
Clerk	5,522	5,245	277
Board of Review	1,000	529	471
Treasurer	7,522	5,875	1,647
Building and Grounds	3,000	2,010	990
Cemetery	5,200	2,286	2,914
Public Safety	10,600	9,313	1,287
Public Works	50,000	25,316	24,684
Recreation and Cultural	500	300	200
Other Functions	10,000	6,161	3,839
Contingency	5,000	0	5,000
Total Disbursements	<u>\$ 114,060</u>	<u>\$ 69,628</u>	<u>\$ 44,432</u>
Excess of Receipts Over (Under) Disbursements	<u>\$ (53,560)</u>	<u>\$ (6,406)</u>	<u>\$ 47,154</u>
<u>BALANCE - Beginning of Year</u>	<u>53,700</u>	<u>53,700</u>	<u>0</u>
<u>BALANCE - End of Year</u>	<u>\$ 140</u>	<u>\$ 47,294</u>	<u>\$ 47,154</u>

The accompanying notes are an integral part of these financial statements.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hartwick Township is a general law township located in Osceola County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Township has no long-term debts which would be recorded in the general long-term debt account group.

The Township has the following fund types and account group:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for this fund which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund type:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the township makes and distributes for others in an agency capacity.

Account Group. The General Fixed Asset Account Group is used to account for fixed assets of the Township.

C. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

The investment policy adopted by the Township Board authorized the Treasurer to invest in the following.

Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, but only if the bank, savings and loan association, or credit union meet all criteria as a depository of public funds contained in state law.

2. Receivables and Payables

Under the modified cash basis of accounting, the only noncash asset recorded is a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

C. Assets, Liabilities and Equity

3. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

4. Use of Estimates

This presentation of financial statements on the modified cash basis of accounting requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reported period. Actual results could differ from those estimates.

5. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 17, 2003 or as amended by the Township Board from time to time throughout the year.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

At year-end, the carrying amount of the Township's regular deposits was \$47,310 and the bank balance was \$47,438 all of which was covered by federal depository insurance.

The Township's deposits at year-end are shown below:

	GENERAL FUND	CURRENT TAX COLLECTION FUND
Citizen's Bank		
Evart, Michigan		
Commercial Account	\$ 48	\$ 0
Money Market Account	24,302	16
Certificates of Deposit	22,944	0
TOTAL	\$ 47,294	\$ 16

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

B. Fixed Assets

Activity in the general fixed assets account group for the township for the year ended March 31, 2004, was as follows:

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
Land and Land Improvements	\$ 15,044	\$ 0	\$ 0	\$ 15,044
Buildings	74,600	0	0	74,600
Furniture and Fixtures	9,530	0	0	9,530
	<u>\$ 99,174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,174</u>

C. Fire Protection Contract

The Township contracts with the Marion Community Fire Department for fire protection. The Township pays the equivalent of .5 mill annually to the Fire Department for this protection. The Village of Marion maintains the records for the fire department. For the 2003-2004 year the township paid \$8,164 under the contract.

D. Current Tax Collection Balance

The balance of \$16 remaining in the current tax collection fund at March 31, 2004, consists of interest earnings which are to be transferred to the Township general fund.

IV. OTHER INFORMATION

A. Property Taxes

The Township levied .8715 mills on a state taxable valuation of \$17,007,465 on the 2003 tax roll.

Properties are assessed January 1, and the related property taxes become a lien on December 1 of the same year. These taxes are due on or before February 14 with a final collection date of February 28, before they are added to the county tax rolls. Property taxes levied December 1 which are collected prior to the end of the Township's fiscal year, are recognized as income in the year in which they are levied.

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

B. Interest Income and Expense

For the year ended March 31, 2004, interest income and expense was as follows:

	INTEREST	
	INCOME	EXPENSE
General Fund	\$ 574	\$ 0

Note - Interest income earned in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown above as General Fund interest income.

C. Retirement Plan

Effective April 19, 1991, the Township established a Simplified Employee Pension - Individual Retirement Account (SEP-IRA). The plan was established with NBD Bank, Detroit, Michigan. The plan covers all township employees except those employees who receive less than \$300 of compensation during the year, and those employees under 18 years of age. Contributions to the plan are determined from year to year by the Township but shall never be less than 7.5% of compensation. Township contributions to the plan for 2003-2004 amounted to \$1,026 which was 7.5% of covered compensation for the period January 1, 2003 to December 31, 2003. For the plan year, wages for those covered under the plan was \$13,680 and total wages for all employees including non-covered payroll was \$14,160 for the Township fiscal year.

The individual retirement account balances become the property of the employee immediately. Therefore, there are no plan assets or liabilities which are included as part of the township reporting entity.

D. Risk Management

The Township is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability and errors and omissions insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or prior three years.

The Township continued to carry insurance for other risks of loss, including workers compensation insurance.

STATEMENT 1

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	\$ 48
Money Market Investment Account	24,302
Certificates of Deposit	22,944
Taxes Receivable	<u>1,871</u>
 TOTAL ASSETS	 \$ <u>49,165</u>

LIABILITIES AND EQUITY

LIABILITIES

Deferred Revenue	\$ 1,871
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EQUITY

Balance	
Unreserved	<u>47,294</u>

TOTAL LIABILITIES AND EQUITY	\$ <u>49,165</u>
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HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 17,000	\$ 16,433	\$ (567)
Non-Business Permits	700	1,050	350
State Grants	40,000	42,758	2,758
Charges for Services	0	1,749	1,749
Interest and Rents	1,800	924	(876)
Other Receipts	1,000	308	(692)
Total Receipts	\$ 60,500	\$ 63,222	\$ 2,722
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 4,709	\$ 3,720	\$ 989
General Government			
Supervisor	1,807	1,545	262
Election	1,000	0	1,000
Assessor	8,200	7,328	872
Clerk	5,522	5,245	277
Board of Review	1,000	529	471
Treasurer	7,522	5,875	1,647
Building and Grounds	3,000	2,010	990
Cemetery	5,200	2,286	2,914
Public Safety			
Fire Protection	10,000	8,164	1,836
Planning and Zoning	600	249	351
Land Division	0	900	(900)
Public Works			
Highways, Streets, and Bridges	50,000	25,316	24,684

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
Recreation and Cultural	500	300	200
Other Functions			
Insurance and Bonds	10,000	4,177	5,823
Employee Benefits	0	1,984	(1,984)
Contingency	5,000	0	5,000
Total Disbursements	\$ 114,060	\$ 69,628	\$ 44,432
Excess of Receipts Over (Under) Disbursements	\$ (53,560)	\$ (6,406)	\$ 47,154
<u>BALANCE</u> - Beginning of Year	53,700	53,700	0
<u>BALANCE</u> - End of Year	\$ 140	\$ 47,294	\$ 47,154

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS
FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current Property Taxes	\$ 12,947	
Delinquent Property Taxes and Interest	2,259	
Swamp Tax	1,227	
Total Taxes		\$ 16,433

NON-BUSINESS PERMITS

Land Use Permits		1,050
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STATE GRANTS

State Revenue Sharing		
Sales and Use Tax		42,758

CHARGES FOR SERVICES

Dog License Fees	\$ 24	
Grave Openings	1,725	
Total Charges for Services		1,749

INTEREST AND RENTS

Interest Earnings	\$ 574	
Rents and Royalties	350	
Total Interest and Rents		924

OTHER RECEIPTS

Miscellaneous		308
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TOTAL RECEIPTS		<u>\$ 63,222</u>
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HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages	\$	2,009
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Other Services and Charges

Printing and Publishing		1,279
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Memberships and Dues		332
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Miscellaneous - Other		100
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Total Legislative		\$ 3,720
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GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages	\$	1,527
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Other Services and Charges

Transportation		18
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Total Supervisor		1,545
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Assessor

Other Services and Charges

Contracted Services	\$	7,000
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Miscellaneous - Other		328
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Total Assessor		7,328
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Clerk

Personal Services

Salaries and Wages	\$	5,102
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Supplies

Office Supplies		37
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Other Services and Charges

Education and Training		20
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Transportation		86
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Total Clerk		5,245
-------------	--	-------

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Board of Review

Personal Services

Salaries and Wages \$ 480

Other Services and Charges

Printing and Publishing 49

Total Board of Review 529

Treasurer

Personal Services

Salaries and Wages \$ 5,042

Supplies

Office Supplies 758

Other Services and Charges

Education and Training 75

Total Treasurer 5,875

Building and Grounds

Supplies

Operating Supplies \$ 311

Other Services and Charges

Contracted Services 500

Utilities 1,199

Total Building and Grounds 2,010

Cemetery

Other Services and Charges

Contracted Services \$ 2,100

Printing and Publishing 186

Total Cemetery 2,286

Total General Government 24,818

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

PUBLIC SAFETY

Fire Protection

Other Services and Charges

Aid to Other Governments \$ 8,164

Planning and Zoning

Personal Services

Per Diem \$ 212

Supplies

Office Supplies 37 249

Land Division

Other Services and Charges

Contracted Services 900

Total Public Safety 9,313

PUBLIC WORKS

Highways, Streets and Bridges

Other Services and Charges

Road Maintenance 25,316

RECREATION AND CULTURAL

Library

Other Services and Charges

Aid to Other Governments 300

OTHER FUNCTIONS

Insurance and Bonds

\$ 4,177

Employee Benefits

Medicare and Social Security \$ 58

Worker's Compensation 900

Pension Contribution 1,026

Total Employee Benefits 1,984

Total Other Functions 6,161

TOTAL DISBURSEMENTS \$ 69,628

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	<u>\$ 16</u>

EQUITY

Balance	<u>\$ 16</u>
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HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections		\$ 355,505	
Delinquent Tax Collections		2,771	
Interest Earnings		89	
Tax Overpayments		229	
Late Payment Fees		415	
Dog License Fees		64	
Total Receipts			\$ 359,073

DISBURSEMENTS

Payments to County Treasurer			
Current Tax	\$ 136,191		
Delinquent Tax	623		
Delinquent Tax - State Education Tax	405		
Dog License Fees	64	\$ 137,283	
Payments to Township Treasurer			
Current Tax	\$ 12,947		
Delinquent Tax	60		
Interest Earnings	91		
Late Payment Fees	408	13,506	
Payments to School Treasurer			
Current Tax			
Evart Public Schools	\$ 138,536		
Marion Public Schools	308		
Pine River Area Schools	5,136		
Delinquent Tax			
Evart Public Schools	1,403	145,383	
Payments to Intermediate School Treasurer			
Current Tax			
Mecosta-Osceola Intermediate School	\$ 58,115		
Wexford-Missaukee Intermediate School	4,272		
Delinquent Tax			
Mecosta-Osceola Intermediate School	280	62,667	
Refunds to Taxpayers for Overcollections		229	
Bank Charges		8	359,076
Excess of Receipts Over (Under) Disbursements			\$ (3)

BALANCE - Beginning of Year

19

BALANCE - End of Year

\$ 16

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/2003	ADDITIONS	DELETIONS	BALANCE 3/31/2004
<u>GENERAL FIXED ASSETS</u>				
Land and Land Improvements	\$ 15,044	\$ 0	\$ 0	\$ 15,044
Buildings	74,600	0	0	74,600
Furniture and Fixtures	9,530	0	0	9,530
	<u>\$ 99,174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,174</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 99,174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,174</u>

HARTWICK TOWNSHIP, OSCEOLA COUNTY
EVART, MICHIGAN

STATEMENT OF 2003 TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County	\$ 155,877	
Township	14,818	
Schools		
Evart Public Schools	155,341	
Marion Public Schools	400	
Pine River Area Schools	5,913	
Intermediate Schools		
Mecosta-Osceola Intermediate School	66,487	
Wexford-Missaukee Intermediate School	4,931	\$ 403,767

TAXES COLLECTED

County	\$ 136,191	
Township	12,947	
Schools		
Evart Public Schools	138,536	
Marion Public Schools	308	
Pine River Area Schools	5,136	
Intermediate Schools		
Mecosta-Osceola Intermediate School	58,115	
Wexford-Missaukee Intermediate School	4,272	355,505

TAXES RETURNED DELINQUENT

County	\$ 19,686	
Township	1,871	
Schools		
Evart Public Schools	16,805	
Marion Public Schools	92	
Pine River Area Schools	777	
Intermediate Schools		
Mecosta-Osceola Intermediate School	8,372	
Wexford-Missaukee Intermediate School	659	\$ 48,262

134 WEST HARRIS STREET
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1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

Baird, Cotter and Bishop, P.C.

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JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

May 25, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Hartwick Township
Osceola County
Ewart, Michigan

Having completed our audit of the general-purpose financial statements of Hartwick Township for the year ended March 31, 2004, we would like to note the following:

Government Accounting Standards Board (GASB) Statement 34

GASB has issued its new financial accounting model for governmental entities. This pronouncement will become effective for Hartwick Township for its fiscal year ending March 31, 2005. The most significant change will be the requirement to report cost and depreciation information for fixed assets such as buildings and equipment. In order to implement the new standard in 2004-2005 fixed asset data must be available as of April 1, 2004. Therefore, the board should be taking steps to accumulate this information in the near future. We are available to advise you on how to proceed with this project.

Accounting Records

The Township Clerk and Treasurer are doing a fine job of maintaining the accounting records in a manner which complies with the State's uniform accounting system.

We would like to thank the board for its continued confidence in our firm and to thank the township clerk and treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

Very truly yours,

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

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May 25, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Hartwick Township
Osceola County
Ewart, Michigan

In planning and performing our audit of the general-purpose financial statements of Hartwick Township, Osceola County, Ewart, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Very truly yours,

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.